

Why do Beauty and Personal Care Businesses Struggle in the UAE

Twenty years back, a 2000-year old oldest cosmetic in the form of a face cream was discovered by archaeologists in the UK.

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[/EINPresswire.com/](https://EINPresswire.com/) -- There are even older archaeological indications of the usage of cosmetics, scented oils and ointments by humans dating back to 10,000 BCE. And the reasons for using these solutions were not just fancy. Ancient people used them to prevent body odour, for better skin, and for other practically useful reasons. All these discoveries and learning provide us with a glowing sign of the significance of beauty and personal care since ancient times.



Why do Beauty and Personal Care Businesses Struggle in the UAE?

Talking about beauty and personal care, we must also understand that these two are not the same. While trying to look good may not be a universal need for all humans but personal care enters the realm of necessity. For example, keeping a beard may be a fashion in the current times but it is purely something we can also avoid and do without. But since both beauty and personal care are closely related in terms of the solutions (beauty and personal care products and services), in the business sense, these two sectors are treated as one industry. A manufacturer that produces shaving cream/gel is also likely to expand its product portfolio to include beard oil and beard wash liquids. A retailer that merchandises shampoos will also keep conditioners in its inventory arsenal.

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YRC is a Management Consulting Company, especially for the B-C Sector. Empowering Retail & E-commerce businesses.”

Nikhil Agarwal

The global beauty and personal care products industry is estimated at a worth ranging between USD 450-500 billion. Here, product categories include cosmetics, personal care, skincare, fragrances, hair care, makeup, tools and accessories, etc. In services, we have beauty parlours,

salons, spas, massage parlours, etc.

The demand aggregating factor with beauty products and services is that almost every human being seeks to look decent and in some cases, gorgeous and flawless. With the surge in social media usage, this drive is now even stronger. Personal care follows suit with little grounds to differentiate it from the realm of beauty. With demographic factors falling in favour, the demand keeps spiralling upwards. The growth of eCommerce has also contributed its bit to the growth and expansion of the beauty and personal care industry.

The UAE presents an ideal market for beauty and personal care products and services. The states are developed. The per capita income levels are high. The infrastructure and technologies required for the businesses are available. Reputed foreign and domestic brands have a strong presence. Customers are knowledgeable and highly aware of their beauty and personal requirements. There is a skilled workforce available. These favourable factors also make the regional competition intense in the industry.

In this blog, we look into some of the fundamental and emerging challenges faced by salons, spas, beauty parlours, and retail outlets dealing with beauty and personal care products in the UAE. We will also try to discuss how these challenges could be mitigated.

Lacking in UVP and brand positioning

On the surface, it is very difficult for customers to distinguish one business from another. In cities like Dubai or Abu Dhabi, superior infrastructure and exteriors can make such assessments even more difficult. For example, two beauty salons may look equally appealing with their exteriors and signboards sponsored by the same global cosmetic brand. In that situation, a customer would not be able to reach an affirmative conclusion even if s/he is looking for some service. Both the shops become homogenous to the customer and that hides any real difference either of the shops might actually have in the quality of their services. Somewhere earlier in the customer journey, they have to intervene to create a brand perception. But before that, they need to establish their UVP and brand positioning strategies as a part of their [business modelling](#). This UVP must be something that can be created and delivered. Customers need to experience and realise this value whether such a value is tangible or intangible.

Unfocused targeting

The experienced beauty industry consultants or [salon & spa industry consultants](#) know that the cities like Dubai present a complex mix of demographics. And if we consider retail chain brands in the region, target segment profiling would also vary. A solid understanding of the target segment is essential for every business here. Business owners know this and even then, they do not address this question properly. Why? Because beyond a certain point, it begins to make the assessment feel futile or there is not enough data or information to carry on with the profiling further. The greater the detailing with which a business knows its target segment, the better will

it be able to improvise and market the products and services. Whether it is conventional or digital marketing, without knowing the audience/customers, the right message cannot be created and disseminated to the right people. Take the example of a beard styling salon. For this business, knowing that the target segment constitutes men with beards is not enough. Not all men may be interested in extra grooming efforts for their beards beyond what they may already do at home. It is also important to define the age grouping. Generally, younger men are more likely to maintain a beard for reasons of style and fashion. It may be also worthwhile to read the existing consumer behaviour and trends by assessing the physical market.

Cross-Channel Competition

With omnichannel, competition has gone cross channel. There are product retailers on eCommerce channels. With the rising trends of online shopping, customers do not hesitate to buy beauty and personal care products from online retailers and online web stores of big brands. This has affected the footfall and revenues of [brick and mortar retailers](#) dealing in these products.

For eCommerce enterprises, a difficult sector for them to access is the service business of the beauty and personal care industry. There is the dominance of the physical channel in beauty and personal care services like beauty parlours, salons, spas, etc.

Popular influencers and content creators on social media platforms present the brand new face of competition in the industry. From homemade remedies to self-help makeup, there are a large number of influencers and content creators who are out there to help their audiences. Big brands often collaborate with these popular social media stars to promote their products. Maybe the experienced beauty industry consultants for Dubai and the UAE (<https://www.yourretailcoach.ae/salonand-beauty-industry>) would also suggest using this promotional strategy. But product-based retailers (online or offline) and local parlours, salons or spas have little to gain from this additional channel of competition.

We are retail and eCommerce consultants with experience spanning over a decade serving more than 500 clients in more than 20 industries. We offer a wide range of services to beauty and personal care businesses in retail, eCommerce, and omnichannel to set up or develop their business in the UAE. We deploy professionals in service design and delivery.

Get advise for E-commerce retail business : <http://www.yourretailcoach.ae/contact-us/>

Rupal Shah Agarwal
YourRetailCoach
+91 98604 26700
consult@mindamend.net
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